SENATE BILL No. 525

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1; IC 15-9-2-3; IC 15-9-5.

Synopsis: Various energy incentives. Provides various energy related tax incentives. Establishes a biomass grant program. Appropriates money to the Purdue University technical assistance program.

Effective: July 1, 2007; January 1, 2008.

Hershman

January 23, 2007, read first time and referred to Committee on Utilities & Regulatory Affairs.



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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

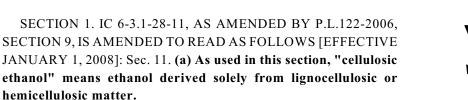
Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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SENATE BILL No. 525

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:



- **(b)** The corporation shall determine the maximum amount of credits that a taxpayer (or if the person producing the ethanol is a pass through entity, the shareholders, partners, or members of the pass through entity) is eligible to receive under this section. The total amount of credits allowed a taxpayer (or, if the person producing the ethanol is a pass through entity, the shareholders, partners, or members of the pass through entity) under this chapter may not exceed a total of the following amounts for all taxable years:
 - (1) Two million dollars (\$2,000,000) in the case of a taxpayer who produces at least forty million (40,000,000) but less than sixty million (60,000,000) gallons of **grain** ethanol in a taxable year.

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1	(2) Three million dollars (\$3,000,000) in the case of a taxpayer	
2	who produces at least sixty million (60,000,000) gallons of grain	
3	ethanol in a taxable year.	
4	(3) Twenty million dollars (\$20,000,000) in the case of a	
5	taxpayer who produces at least forty million (40,000,000)	
6	gallons of cellulosic ethanol in a taxable year.	
7	SECTION 2. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE	
8	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE	
9	JANUARY 1, 2008]:	
10	Chapter 31. Energy Savings Tax Credit	
11	Sec. 1. As used in this chapter, "energy star heating and cooling	
12	equipment" means heating and cooling equipment that is rated for	
13	energy efficiency under the federal energy star program.	
14	Sec. 2. As used in this chapter, "energy star program" refers to	
15	the program established by Section 324A of the federal Energy	
16	Policy and Conservation Act.	
17	Sec. 3. As used in this chapter, "heating and cooling equipment"	
18	means:	
19	(1) a furnace;	
20	(2) a water heater;	
21	(3) central air conditioning;	
22	(4) a room air conditioner; and	
23	(5) a programmable thermostat.	
24	Sec. 4. As used in this chapter, "pass through entity" means:	_
25	(1) a corporation that is exempt from the adjusted gross	
26	income tax under IC 6-3-2-2.8(2);	
27	(2) a partnership;	
28	(3) a limited liability company; or	V
29	(4) a limited liability partnership.	
30	Sec. 5. As used in this chapter, "small business" has the meaning	
31	set forth in IC 4-4-5.2-3.	
32	Sec. 6. As used in this chapter, "state tax liability" means the	
33	taxpayer's total tax liability that is incurred under:	
34	(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);	
35	(2) IC 27-1-18-2 (the insurance premiums tax); and	
36	(3) IC 6-5.5 (the financial institutions tax);	
37	as computed after the application of the credits that, under	
38	IC 6-3.1-1-2, are to be applied before the credit provided by this	
39	chapter.	
40	Sec. 7. As used in this chapter, "taxpayer" means:	
41	(1) an individual filing a single return;	
42	(2) a married couple filing a joint return; or	



1	(3) a small business;
2	that has any state tax liability.
3	Sec. 8. Subject to section 12 of this chapter, a taxpayer is
4	entitled to a credit against the taxpayer's state tax liability for a
5	taxable year equal to the lesser of the following:
6	(1) Twenty percent (20%) of the amount of expenditures for
7	energy star heating and cooling equipment incurred by the
8	taxpayer during the taxable year.
9	(2) One hundred dollars (\$100).
10	Sec. 9. (a) If a pass through entity is entitled to a credit under
11	this chapter but does not have state tax liability against which the
12	credit may be applied, an individual who is a shareholder, partner,
13	or member of the pass through entity is entitled to a credit equal
14	to:
15	(1) the credit determined for the pass through entity for the
16	taxable year; multiplied by
17	(2) the percentage of the pass through entity's distributable
18	income to which the individual is entitled.
19	(b) The credit provided under subsection (a) is in addition to a
20	tax credit to which a shareholder, partner, or member of a pass
21	through entity is otherwise entitled under this chapter. However,
22	a pass through entity and an individual who is a shareholder,
23	partner, or member of the pass through entity may not claim more
24	than one (1) credit for the same expenditures for energy star
25	heating and cooling equipment.
26	Sec. 10. The amount of a credit claimed under this chapter may
27	not exceed a qualified taxpayer's state tax liability. A taxpayer is
28	not entitled to a carryback, carryover, or refund of an unused
29	credit.
30	Sec. 11. A taxpayer may not sell, assign, convey, or otherwise
31	transfer the tax credit provided by this chapter.
32	Sec. 12. The total amount of tax credits allowed under this
33	chapter may not exceed one million dollars (\$1,000,000) in a state
34	fiscal year.
35	Sec. 13. To receive the credit provided by this chapter, a
36	taxpayer must claim the credit on the taxpayer's annual state tax
37	return or returns in the manner prescribed by the department. The
38	taxpayer shall submit to the department all information that the
39	department determines is necessary for the calculation of the credit
40	provided by this chapter.
41	SECTION 3. IC 6-3.1-32 IS ADDED TO THE INDIANA CODE
42	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE



1	JANUARY 1, 2008]:
2	Chapter 32. Renewable Energy Systems Tax Credits
3	Sec. 1. As used in this chapter, "biomass" means any organic
4	matter that is available on a renewable basis, including
5	agricultural crops and agricultural wastes and residues, wood and
6	wood wastes and residues, animal wastes, municipal wastes, and
7	aquatic plants.
8	Sec. 2. As used in this chapter, "biomass heating system" means
9	a heating system that:
10	(1) produces heat through the combustion of biomass; and
11	(2) is certified by the United States Environmental Protection
12	Agency to meet applicable emission standards.
13	Sec. 3. As used in this chapter, "geothermal energy heating and
14	cooling system" means a system that is designed to use the natural
15	heat from the earth to provide hot water, produce electricity, or
16	generate heating or cooling.
17	Sec. 4. As used in this chapter, "pass through entity" means:
18	(1) a corporation that is exempt from the adjusted gross
19	income tax under IC 6-3-2-2.8(2);
20	(2) a partnership;
21	(3) a limited liability company; or
22	(4) a limited liability partnership.
23	Sec. 5. As used in this chapter, "renewable energy system"
24	means:
25	(1) a biomass heating system;
26	(2) a geothermal heating and cooling system; or
27	(3) a qualified wind energy system.
28	Sec. 6. As used in this chapter, "state tax liability" means the
29	taxpayer's total tax liability that is incurred under:
30	(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
31	(2) IC 27-1-18-2 (the insurance premiums tax); and
32	(3) IC 6-5.5 (the financial institutions tax);
33	as computed after the application of the credits that, under
34	IC 6-3.1-1-2, are to be applied before the credit provided by this
35	chapter.
36	Sec. 7. As used in this section, "taxpayer" means:
37	(1) an individual filing a single return;
38	(2) a married couple filing a joint return; or
39	(3) a business;
40	that has any state tax liability.
41	Sec. 8. As used in this chapter, "qualified wind energy system"
42	means a device that uses the wind to generate not more than one



1	hundred (100) kilowatts.	
2	Sec. 9. (a) This subsection applies only to a taxpayer who installs	
3	a geothermal heating and cooling system during a taxable year.	
4	Subject to section 13 of this chapter, a taxpayer is entitled to a	
5	credit against the taxpayer's state tax liability for a taxable year	
6	equal to the lesser of:	
7	(1) twenty-five percent (25%) of the amount of expenditures	
8	for a geothermal heating and cooling system incurred by the	
9	taxpayer during the taxable year; or	
10	(2) the following applicable amount:	
11	(A) Two thousand five hundred dollars (\$2,500), in the case	
12	of a taxpayer who installs a geothermal heating and	
13	cooling system for a structure containing fewer than ten	
14	thousand (10,000) square feet.	
15	(B) Five thousand dollars (\$5,000), in the case of a taxpayer	
16	who installs a geothermal heating and cooling system for	
17	a structure containing at least ten thousand (10,000)	
18	square feet.	
19	(b) This subsection applies only to a taxpayer who installs a	
20	biomass heating system during a taxable year. Subject to section 13	
21	of this chapter, a taxpayer is entitled to a credit against the	
22	taxpayer's state tax liability for a taxable year equal to the lesser	
23	of:	
24	(1) twenty percent (20%) of the amount of expenditures for a	
25	biomass heating system incurred by the taxpayer during the	
26	taxable year; or	
27	(2) the following applicable amount:	
28	(A) Two thousand five hundred dollars (\$2,500), in the case	V
29	of a taxpayer who installs a biomass heating system for a	
30	structure containing fewer than ten thousand (10,000)	
31	square feet.	
32	(B) Five thousand dollars (\$5,000), in the case of a taxpayer	
33	who installs a biomass heating system for a structure	
34	containing at least ten thousand (10,000) square feet.	
35	(c) This subsection applies only to a taxpayer who installs a	
36	wind turbine during a taxable year. Subject to section 13 of this	
37	chapter, a taxpayer is entitled to a credit against the taxpayer's	
38	state tax liability for a taxable year equal to the lesser of:	
39	(1) fifteen percent (15%) of the amount of expenditures for a	
40	qualified wind energy system incurred by the taxpayer during	
41	the taxable year; or	
12	(2) the following applicable amount:	



of a taxpayer who installs a qualified wind energy system for a structure containing fewer than ten thousand (10,000) square feet. (B) Five thousand dollars (\$5,000), in the case of a taxpayer who installs a qualified wind energy system for a structure containing at least ten thousand (10,000) square feet. Sec. 10. (a) If a pass through entity is entitled to a credit under this chapter but does not have state tax liability against which the credit may be applied, an individual who is a shareholder, partner, or member of the pass through entity is entitled to a credit equal to: (1) the credit determined for the pass through entity for the taxable year; multiplied by (2) the percentage of the pass through entity's distributable income to which the individual is entitled. (b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and an individual who is a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same expenditures for a renewable energy system. Sec. 11. The amount of a credit claimed under this chapter may not exceed a qualified taxpayer's state tax liability. A taxpayer is not entitled to a carryback, carryover, or refund of an unused credit. Sec. 12. A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this chapter. Sec. 13. The amount of tax credits allowed under this chapter may not exceed two million dollars (\$2,000,000) in a state fiscal year. Sec. 14. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this chapter. SECTION 4. IC 6-3.1-33 IS ADDED TO THE INDIANA CODE AS A NE		
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41 JANUAK I 1, 2000 [.	41	JANUARY 1, 2008]:

Chapter 33. Energy Efficiency Program Tax Credit



42

1	Sec. 1. As used in this chapter, "pass through entity" means:
2	(1) a corporation that is exempt from the adjusted gross
3	income tax under IC 6-3-2-2.8(2);
4	(2) a partnership;
5	(3) a limited liability company; or
6	(4) a limited liability partnership.
7	Sec. 2. As used in this chapter, "program" refers to the Purdue
8	University technical assistance program.
9	Sec. 3. As used in this chapter, "qualified cost" means any cost:
0	(1) recommended by the program; and
.1	(2) incurred by a qualified taxpayer to improve the energy
2	efficiency of the qualified taxpayer's facilities.
3	Sec. 4. As used in this chapter, "qualified taxpayer" means a
4	taxpayer that has incurred at least five hundred thousand dollars
.5	(\$500,000) in energy costs in a calendar year beginning after
6	December 31, 2004.
7	Sec. 5. As used in this chapter, "state tax liability" means the
8	taxpayer's total tax liability that is incurred under:
9	(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
20	(2) IC 27-1-18-2 (the insurance premiums tax); and
21	(3) IC 6-5.5 (the financial institutions tax);
22	as computed after the application of the credits that, under
23	IC 6-3.1-1-2, are to be applied before the credit provided by this
24	chapter.
25	Sec. 6. As used in this chapter, "taxpayer" means any person,
26	corporation, limited liability company, partnership, or other entity
27	that has any state tax liability.
28	Sec. 7. (a) Subject to section 11 of this chapter, a qualified
29	taxpayer is entitled to a credit against the qualified taxpayer's state
0	tax liability for a taxable year if the qualified taxpayer:
1	(1) has, after December 31, 2006, received industrial energy
32	services from the program; and
3	(2) incurs qualified costs in the taxable year.
34	(b) The amount of the credit allowed under this chapter is equal
35	to the lesser of the following:
66	(1) The product of:
57	(A) the amount of the qualified costs incurred by the
8	qualified taxpayer in the taxable year; multiplied by
19	(B) ten percent (10%).
10	(2) Two hundred fifty thousand dollars (\$250,000).
1	(c) Both:
.2	(1) the qualified taxpayer's receipt of industrial energy



1	services from the program; and
2	(2) the amount of qualified costs incurred by the qualified
3	taxpayer in the taxable year;
4	must be certified by the program.
5	Sec. 8. (a) If a pass through entity is entitled to a credit under
6	this chapter but does not have state tax liability against which the
7	credit may be applied, an individual who is a shareholder, partner,
8	or member of the pass through entity is entitled to a credit equal
9	to:
10	(1) the credit determined for the pass through entity for the
11	taxable year; multiplied by
12	(2) the percentage of the pass through entity's distributable
13	income to which the individual is entitled.
14	(b) The credit provided under subsection (a) is in addition to a
15	tax credit to which a shareholder, partner, or member of a pass
16	through entity is otherwise entitled under this chapter. However,
17	a pass through entity and an individual who is a shareholder,
18	partner, or member of the pass through entity may not claim more
19	than one (1) credit for the same qualified costs.
20	Sec. 9. The amount of a credit claimed under this chapter may
21	not exceed a qualified taxpayer's state tax liability. A taxpayer is
22	not entitled to a carryback, carryover, or refund of an unused
23	credit.
24	Sec. 10. A taxpayer may not sell, assign, convey, or otherwise
25	transfer the tax credit provided by this chapter.
26	Sec. 11. The amount of tax credits allowed under this chapter
27	may not exceed two million five hundred thousand dollars
28	(\$2,500,000) in a state fiscal year.
29	Sec. 12. To receive the credit provided by this chapter, a
30	taxpayer must claim the credit on the taxpayer's annual state tax
31	return or returns in the manner prescribed by the department. The
32	taxpayer shall submit to the department the certifications required
33	under section 7 of this chapter and any other information that the
34	department determines is necessary for the calculation of the credit
35	provided by this chapter.
36	SECTION 5. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE
37	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
38	JANUARY 1, 2008]:
39	Chapter 34. Indiana Fueled Energy Investment Tax Credit
40	Sec. 1. As used in this chapter, "biomass" means any organic
41	matter that is available on a renewable basis, including
42	agricultural crops and agricultural wastes and residues, wood and



1	wood wastes and residues, animal wastes, municipal wastes, and	
2	aquatic plants.	
3	Sec. 2. As used in this chapter, "corporation" means the Indiana	
4	economic development corporation established by IC 5-28-3-1.	
5	Sec. 3. As used in this chapter, "Indiana coal" has the meaning	
6	set forth in IC 4-4-30-4.	
7	Sec. 4. As used in this chapter, "Indiana fuel" means:	
8	(1) biomass produced in Indiana;	
9	(2) Indiana coal; or	
10	(3) petroleum coke produced in Indiana.	
11	Sec. 5. As used in this chapter, "office" means the office of	
12	energy and defense development.	
13	Sec. 6. As used in this chapter, "qualified investment" means a	
14	taxpayer's expenditures for:	
15	(1) all real and tangible personal property incorporated in	
16	and used as part of a facility used to produce energy from	
17	Indiana fuel; and	
18	(2) transmission equipment and other real and personal	
19	property located at the site of the energy production facility	
20	that is employed specifically to serve the energy production	
21	facility.	= 4
22	Sec. 7. As used in this chapter, "pass through entity" means:	
23	(1) a corporation that is exempt from the adjusted gross	
24	income tax under IC 6-3-2-2.8(2);	
25	(2) a partnership;	
26	(3) a limited liability company; or	
27	(4) a limited liability partnership.	
28	Sec. 8. As used in this chapter, "petroleum coke" means a	V
29	carbonaceous solid derived from the process of refining oil.	
30	Sec. 9. As used in this chapter, "state tax liability" means the	
31	taxpayer's total tax liability that is incurred under:	
32	(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);	
33	(2) IC 27-1-18-2 (the insurance premiums tax); and	
34	(3) IC 6-5.5 (the financial institutions tax);	
35	as computed after the application of the credits that, under	
36	IC 6-3.1-1-2, are to be applied before the credit provided by this	
37	chapter.	
38	Sec. 10. As used in this chapter, "taxpayer" means any person,	
39	corporation, limited liability company, partnership, or other entity	
40	that:	
41	(1) has any state tax liability;	
12	(2) makes a qualified investment.	



Sec. 11. (a) A taxpayer that:
(1) is awarded a tax credit under this chapter by the office;
and
(2) complies with the conditions set forth in this chapter and
the agreement entered into by the corporation and the
taxpayer under this chapter;
is entitled to a credit against the taxpayer's state tax liability for a
taxable year in which the taxpayer places into service an energy
production facility using Indiana fuel and for the taxable years
provided in section 13 of this chapter.
(b) A tax credit awarded under this chapter must be applied
against the taxpayer's state tax liability in the following order:
(1) Against the taxpayer's liability incurred under IC 6-3-1
through IC 6-3-7 (the adjusted gross income tax).
(2) Against the taxpayer's liability incurred under IC 6-5.5
(the financial institutions tax).
(3) Against the taxpayer's liability incurred under
IC 27-1-18-2 (the insurance premiums tax).
Sec. 12. The amount of the credit to which a taxpayer is entitled
for a qualified investment is equal to the lesser of the following:
(1) The product of:
(A) the amount of the taxpayer's qualified investment;
multiplied by
(B) ten percent (10%).
(2) Fifty million dollars (\$50,000,000).
Sec. 13. (a) A credit awarded under section 11 of this chapter
must be taken in ten (10) annual installments, beginning with the
year in which the taxpayer places into service the taxpayer's
energy production facility.
(b) The amount of an annual installment of the credit awarded
under section 11 of this chapter is equal to the quotient of:
(1) the credit amount determined under section 12 of this
chapter; divided by
(2) ten (10).
Sec. 14. (a) If a pass through entity is entitled to a credit under
this chapter but does not have state tax liability against which the
credit may be applied, an individual who is a shareholder, partner,
or member of the pass through entity is entitled to a credit equal
to:
(1) the credit determined for the pass through entity for the
taxable year; multiplied by
(2) the percentage of the pass through entity's distributable



1	:
1 2	income to which the individual is entitled. (b) The credit provided under subsection (a) is in addition to a
3	•
4	tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However,
5	
	a pass through entity and an individual who is a shareholder,
6 7	partner, or member of the pass through entity may not claim more
	than one (1) credit for the same qualified investment.
8 9	Sec. 15. The amount of a credit claimed under this chapter may not exceed a qualified taxpayer's state tax liability. A taxpayer is
10	not entitled to a carryback, carryover, or refund of an unused
11	credit.
12	Sec. 16. A taxpayer may not sell, assign, convey, or otherwise
13	transfer the tax credit provided by this chapter.
14	Sec. 17. (a) person that proposes to place a new energy
15	production facility utilizing Indiana fuel into service may apply to
16	the corporation before the taxpayer makes the qualified investment
17	to enter into an agreement for a tax credit under this chapter. The
18	corporation shall prescribe the form of the application.
19	(b) The office shall provide any technical assistance requested
20	by the corporation in the administration of this chapter.
21	Sec. 18. After receipt of an application, the corporation may
22	enter into an agreement with the applicant for a credit under this
23	chapter if the corporation determines that the taxpayer's proposed
24	investment satisfies the requirements of this chapter.
25	Sec. 19. (a) The corporation shall enter into an agreement with
26	an applicant that is awarded a credit under this chapter. The
27	agreement must include all the following:
28	(1) A detailed description of the project that is the subject of
29	the agreement.
30	(2) The first taxable year for which the credit may be claimed.
31	(3) The amount of the tax credit that, subject to section 15 of
32	this chapter, will be allowed for each taxable year.
33	(4) A requirement that the taxpayer shall maintain operations
34	at the project location for at least ten (10) years during the
35	term that the tax credit is available.
36	(5) A requirement that the taxpayer shall pay an average
37	wage to its employees at the energy production facility, other
38	than highly compensated employees, in each taxable year that
39	a tax credit is available, that equals at least one hundred
40	twenty-five percent (125%) of the average county wage in the
41	county in which the energy production facility is located.
42	(6) A requirement that the taxpayer will maintain at the





1	location where the qualified investment is made, during the
2	term of the tax credit, a total payroll that is at least equal to
3	the payroll that existed on the date that the taxpayer placed
4	the energy production facility into service.
5	(7) A requirement that one hundred percent (100%) of the
6	fuel used at the energy production facility must be Indiana
7	fuel.
8	(8) A requirement that the energy production facility will
9	comply with any energy efficiency or emission standard
0	recommended by the office and imposed by the corporation.
1	(b) A taxpayer must comply with the terms of the agreement
2	described in subsection (a) to receive an annual installment of the
3	tax credit awarded under this chapter. The corporation shall
4	annually determine whether the taxpayer is in compliance with the
5	agreement. If the corporation determines that the taxpayer is in
6	compliance, the corporation shall issue a certificate of compliance
7	to the taxpayer.
8	Sec. 19. To receive the credit awarded by this chapter, a
9	taxpayer must claim the credit on the taxpayer's annual state tax
20	return or returns in the manner prescribed by the department. The
21	taxpayer shall submit to the department a copy of the taxpayer's
22	certificate of compliance issued under section 18 of this chapter,
23	and all information that the department determines is necessary
24	for the calculation of the credit provided by this chapter.
25	SECTION 6. IC 15-9-2-3, AS AMENDED BY P.L.1-2006,
26	SECTION 294, IS AMENDED TO READ AS FOLLOWS
27	[EFFECTIVE JULY 1, 2007]: Sec. 3. The department shall do the
28	following:
29	(1) Provide administrative and staff support for the following:
0	(A) The center for value added research.
1	(B) The state fair board for purposes of administering the
32	director of the department of agriculture's duties under
3	IC 15-1.5-4.
34	(C) The Indiana corn marketing council for purposes of
35	administering the duties of the director of the department of
66	agriculture under IC 15-4-10.
37	(D) The Indiana organic peer review panel.
8	(E) The Indiana dairy industry development board for
9	purposes of administering the duties of the director of the
10	department of agriculture under IC 15-6-4.
1	(F) The Indiana land resources council.

(G) The Indiana grain buyers and warehouse licensing agency.



42

1	(H) The Indiana grain indemnity corporation.	
2	(I) The division of soil conservation established by	
3	IC 15-9-4-1.	
4	(2) Administer the election of state fair board members.	
5	(3) Administer state programs and laws promoting agricultural	
6	trade.	
7	(4) Administer state livestock or agriculture marketing grant	
8	programs.	
9	(5) Administer economic development efforts for agriculture.	
0	(6) Promote and support the biomass grant program	
1	established by IC 15-9-5-3.	
2	SECTION 7. IC 15-9-5 IS ADDED TO THE INDIANA CODE AS	
3	A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY	
4	1, 2007]:	
5	Chapter 5. Biomass Grant Program	
6	Sec. 1. As used in this chapter, "office" means the office of	
.7	energy and defense development.	
8	Sec. 2. As used in this chapter, "person" means an individual, a	
9	partnership, a corporation, a limited liability company, an	
20	unincorporated association, a governmental entity, or any other	
21	legal entity.	
22	Sec. 3. There is established the biomass grant program.	
23	Sec. 4. The office shall award grants and administer the	
24	program from funds appropriated to the office under section 6 of	
25	this chapter.	
26	Sec. 5. The department shall assist the office in carrying out the	
27	office's duties under this chapter.	
28	Sec. 6. The amount necessary to implement this chapter is	
29	annually appropriated to the office.	
30	Sec. 7. A person may apply on a form prescribed by the office	
1	for a grant under this chapter to defray a part of the cost of	
32	installing a biomass energy project that makes use of any of the	
3	following technologies:	
4	(1) Anaerobic digestion.	
55	(2) Gasification.	
66	(3) Fast pyrolysis.	
57	Sec. 8. A grant awarded under this chapter may not exceed the	
8	greater of:	
9		
	(1) twenty-five percent (25%) of a person's biomass energy	
10	project costs; or	



1	in a state fiscal year may not exceed two million dollars	
2	(\$2,000,000).	
3	Sec. 10. This chapter expires July 1, 2009.	
4	SECTION 8. [EFFECTIVE JULY 1, 2007] (a) There is annually	
5	appropriated to Purdue University six hundred thousand dollars	
6	(\$600,000) from the state general fund for the operating expenses	
7	of the technical assistance program's industrial energy services	
8	program for the period beginning July 1, 2007, and ending June 30,	
9	2009.	
10	(b) There is annually appropriated to Purdue University five	
11	hundred thousand dollars (\$500,000) from the state general fund	
12	for the operating expenses of the technical assistance program's	
13	industrial energy services program for the period beginning July	
14	1, 2009, and ending June 30, 2011.	
15	(c) There is appropriated to Purdue University four hundred	
16	thousand dollars (\$400,000) from the state general fund for the	
17	operating expenses of the technical assistance program's industrial	
18	energy services program for the period beginning July 1, 2011, and	
19	ending June 30, 2012.	
20	(d) The money appropriated by this SECTION does not revert	
21	to the state general fund at the close of any state fiscal year but	
22	remains available to Purdue University until the purpose for which	
23	it was appropriated is fulfilled.	
24	(e) The Purdue University technical assistance program director	
25	shall annually report the program activities funded under this	
26	SECTION to the:	
27	(1) office of energy and defense development; and	
28	(2) legislative council.	V
29	A report submitted under this SECTION to the legislative council	
30	must be in an electronic format under IC 5-14-6.	
31	(f) This SECTION expires July 1, 2012.	
32	SECTION 9. [EFFECTIVE JANUARY 1, 2008] (a) IC 6-3.1-28-11,	
33	as amended by this act, applies to taxable years beginning after	
34	December 31, 2007.	
35	(b) IC 6-3.1-31, IC 6-3.1-32, IC 6-3.1-33, and IC 6-3.1-34, all as	
36	added by this act, apply to taxable years beginning after December	
37	31, 2007.	

